

Automotive Manufacturing In Indiana

Digital improvements to the car experience



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2021 Outlook

EVs not an instant cure for auto ails

Despite hype, recent demand is fizzling for electric vehicles (EVs). As this low-margin segment struggles to grow beyond 2% of the U.S. market, OEMs will de-prioritize them in favor of high-margin trucks that they hope will see them through the crisis in the near term. We are still bullish on longer-term (i.e., 2025+) adoption curves, but the market will be bumpy for the next three years, and the difference in EV adoption between countries is set to widen dramatically.

Tesla is 79% of BEV sales, but sales grew at just 0.3% this past year

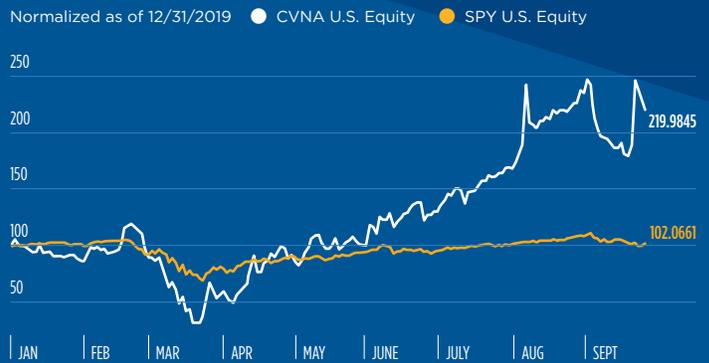
	EV Units	% Change
U.S. BEV Total	244,307	+2.5
BEV ex-Tesla	52,057	+11.6
Tesla	192,250	+0.3
General Motors	16,418	-8.9
Nissan	12,365	-16.0
VW Group	10,362	+665.3
Hyundai-Kia	3,418	+131.1
Honda	742	-21.7

Source: Company Data, InsideEVs.com

Online retailers tap demand for used cars

A new-vehicle sales recovery may be truncated as pent-up demand is tapped by an abundance of affordable, high-quality used vehicles coming off lease. Online retailers such as Carvana and Vroom are thriving in this time of social-distanced shopping. While each is struggling to match this demand, the space is experiencing a pivotal moment as consumers grow more accustomed to online car purchasing.

Carvana stock price YTD vs S&P 500



Key Opportunity: Digital Touchpoints

Digitally-powered purchasing, as well as safety, tracking and efficiency, services, and features are growing in importance due to more online lifestyles amidst the pandemic and the rise of technologies like 5G. These features will only become more critical as more electric and autonomous vehicles hit the road.

Covid-19 Impact on automotive technology

● Negative ● No Impact ● Positive

Vehicle Offerings		Sensor Systems		Services	
Feature	COVID-19 Impact	Feature	COVID-19 Impact	Feature	COVID-19 Impact
Gesture Controls	●	V2X communication	●	Health monitor apps	●
Wi-Fi hotspots	●	Tire pressure monitors	●	Predictive maintenance	●
Navigation systems	●	Auto energy brakes	●	Over the air updates	●
Digital entry key	●	Lane departure sensors	●	Pay as you go	●
Virtual assistant	●	Adaptive cruise control	●	5G connectivity	●
Electric Vehicle Batteries	●	Digital personalization	●		
		Level 5 autonomy	●		

Source: Company data, Counterpoint Research

Why Indiana

Skilled workforce

With almost 20% of the state's workforce being in advanced manufacturing (well above the national average) and a pipeline of university graduates, there is a deep well from which to draw talent.



Existing supply chain

With auto assembly plants from Honda, Subaru, and Toyota along with over 500 automotive suppliers, Indiana has a strong supply chain already in place, easing new players' entrance into the state.

